JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

May 27, 2005

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P. O. Box 1029
Wellington, Utah 84542

Subject: <u>Approval of Pace Canyon Fan Portal Drainage and Topsoil Stockpile
Revisions, Canyon Fuel Company, LLC, Dugout Canyon Mine,
C/007/0039, Task ID #2248, Outgoing File</u>

Dear Mr. Sass:

The minor amendment to the approved Pace Canyon Fan Portal proposal is
hereby approved. On May 27, 2005, we received five clean copies for
incorporation into the previously approved plan. You may proceed with your
revised plans for the Pace Canyon project topsoil storage.

A stamped incorporated copy of the approved plans will be returned to you
for insertion into your copy of the Mining and Reclamation Plan.

This application was determined to be necessary in order to store all of the
salvaged topsoil from the Pace Canyon fan portal disturbance within that disturbed
area perimeter. In order to do that, it was necessary to lengthen the undisturbed
bypass culvert in the southern most drainage such that a larger storage pad could be
built. Minor revisions to the reclamation plan were also necessary in order to do
this.

The Technical Analysis for the Dugout Canyon Mine was updated for the
Pace Canyon Fan Portal application, Task ID# 2193, that was approved
May 6, 2005 by the Division. A minor change or two to the Pace Canyon TA may
be necessary as a consequence of our review of this latest amendment. These
changes will be incorporated into the master TA that is currently being prepared for
the SITLA Lease Revision under Task ID# 2181.

If you have any questions, please call me at (801) 538-5286 or Peter Hess at (435) 613-1146, X203.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

an
Enclosure
cc: Ranvir Singh, OSM
        Jim Kohler, BLM
        Mark Page, Water Rights w/o
        Dave Ariotti, DEQ w/o
        Derris Jones, DWR w/o
        Price Field Office
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